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ABSTRACT

The feasibility of an educational voucher plan proposed by the Pennsylvania legislature is assessed in this paper. Reasons against passing House Bill 1133 and Senate Bill 992 include the large initial cost; lack of evidence that the plan would expand choice; the fact that market forces increase inequities; the need to distinguish choice from voucher plans; and diversion of funds to the wealthiest counties. The recommendation is made to develop a comprehensive, systemic reform effort based on broad consensus of goals and consistent strategies to achieve them. One table is included. (10 references) (LMI)

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School Choice or School Reform?

by

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November 4, 1991

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The purpose of this series of papers is to contribute to a more informed debate about critical policy issues facing Pennsylvania's public schools. This PEPS series draws upon a data base that has been established here at the University of Pittsburgh under the direction of William Cooley in cooperation with the Pennsylvania Department of Education.

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Executive Summary

Pennsylvania's House Education Committee has just completed a series of hearings throughout the state on "school choice." The bill under consideration would provide a $900 voucher to all parents of students attending an elementary or secondary school on a tuition paying basis.

There are several reasons why the proposed legislation (House Bill 1133 and Senate Bill 992) should not be passed. Some of the reasons considered here are: its large initial cost (over $340 million without one student choosing a different school); the lack of evidence that it will expand choice; the fact that market forces increase inequities, not decrease them; the need to distinguish promising choice plans from unproven voucher plans; the critical need to use public funds to improve our public schools, and not divert those funds to the highest per capita income counties in the state, which the present bill does.

This paper also calls for a comprehensive, systematic effort to reform Pennsylvania's public schools. Much more can be accomplished if there is greater consensus about the conditions that can and must be improved, and if we develop funded strategies for making those improvements. Much less will be accomplished if each state policy maker has a different reform agenda for Pennsylvania, or if educational problems are attacked as if they occur in isolation.

SCHOOL CHOICE or SCHOOL REFORM?

William W. Cooley

The General Assembly of Pennsylvania is currently considering legislation (House Bill 1133 and Senate Bill 992) that would provide a direct subsidy to parents of students who attend schools other than the public school serving their residential area. In the parlance of educational choice, this is known as a voucher plan. This paper provides information that is relevant to this legislation, as well as to voucher plans in general. It also encourages state policy makers to develop a more comprehensive approach to school reform, and suggests how that might be done.

The Proposed Voucher Bill

The bill would add a new section to the school code that would be called "Educational Choice." Beginning in school year 1992-1993, it would annually award direct grants to parents of students attending any school in the Commonwealth on a tuition paying basis. The initial grant would be $900 per student, and would increase each year in proportion to the increase in the state's equalized subsidy for basic education (ESBE). The bill also provides for payments to school districts for transporting students to schools outside of their district ($105 per student).

This past school year (1990-91) there were over 344,000 students attending non-public schools in Pennsylvania (17% of the total K-12 population). That means that this bill would have an initial cost of over $344,000,000 without one student choosing to attend a different school. That amount of money would go to parents who are currently paying tuition, and who can apparently afford it.

To put that amount in perspective, that is equivalent to more than a 12% increase in the state's current subsidy to the public schools. In comparison, the actual ESBE increase last year was $199 million (7.3%), the largest dollar increase in the history of ESBE.

It is useful to note just where that initial money would go. Non-public school enrollments varies among the 67 counties, from not one student in Cameron county to over 80,000 in Philadelphia county. Table 1 lists those counties with the highest non-public school enrollments and reports what percent of the total county K-12 population that enrollment represents. For example, in Philadelphia County, 30% of all students in that county attend non-public schools, whereas in Allegheny county it is 20%. Because both population and participation rates are high in the southeastern corner of the state, about two-thirds of the initial $340 million would flow to that part of Pennsylvania, to the same counties that have the highest per capita income in the state.

Table 1

Largest Non-Public Enrollments (1990-91)

County	Students	Percent
Philadelphia	80,850	30
Allegheny	39,550	20
Montgomery	35,342	31
Delaware	26,943	31
Bucks	20,489	21
Lancaster	14,335	19
Chester	10,798	17
Erie	10,157	19

It is also useful to note where this proposed voucher money would tend not to go. There is no non-public school alternative within the boundaries of 80% of the state's 500 districts. There are no non-public school graduates in 14 of the 67

counties. Almost none of it will go to the poorest school districts in the state, the ones that are presently suing the state for greater equity in school finance. The current ESBE total for the school districts that have brought suit against the state is $490 million. If the $340 million were used to further subsidize the low tax base (high aid ratio) districts, instead of subsidizing the parents who currently can afford to send their children to a non-public school, that would more than eliminate the inequity that currently exists in financing our public schools.

The bill's stated objective is "to assist in equalizing educational opportunities for its citizens, to better prepare its citizens to compete for employment opportunities and to foster development of a more capable and better-educated work force for Commonwealth employers". Certainly worthy goals. But how the bill will achieve such goals is not at all clear.

The backers of this bill are clearly capitalizing on several current phenomena: the strong support for educational choice that is coming from the Bush administration; a widespread interest in expanding the educational options open to students and parents; and the desperate need to improve schools. But it is important to distinguish between vouchers and more easily justified kinds of choice proposals, and between this very expensive voucher proposal and other options for reforming and restructuring Pennsylvania's schools. Raywid (1987) provides an excellent discussion of the reasons why it is important to expand public school choice and why vouchers are a bad idea. Witte (1991) describes the advantages and disadvantages of a wide variety of choice plans, including vouchers, tax credits, contract services, intradistrict choice (e.g. magnets), interdistrict choice, and statewide plans. Pipho (1991) summarizes the status of

various state initiatives with respect to school choice. Elmore and Associates [1990] who provide excellent discussions of other restructuring alternatives.

If this bill expands school choice, it will be for those parents: who presently feel that they cannot afford paying tuition, but who could afford it if they received a $900 rebate; and who are unhappy with their current school; and who can locate information on available alternatives and have the confidence to act upon that information; and who can gain admission to that alternative school for their child; and who discover that such a grant is possible; and who discover that they must apply to the state for their grant by April 1 prior to the school year for which they are applying. Based upon that list of conditions, and given the small participation rates that have occurred in those few states where similar plans have been tried, there is no reason to believe that this bill will greatly expand choice.

Market-Based Restructuring. The proponents of vouchers claim that this bill would force a restructuring of the schools by introducing competition among schools. Such competition would turn loose market forces that will "shape up" the ineffective public schools. Lets look at Philadelphia and see how that works. Market forces are already operating in Philadelphia, where the public schools are loosing three out of ten students to the non-public schools.

There are 24 public elementary schools in all of Pennsylvania in which 80% of the fifth graders are still unable to read with minimum competence. (Can you imagine trying to teach social studies, for example, in a fifth grade classroom where 4 out of 5 students cannot understand what they read.) All 24 of those schools are in Philadelphia. They serve over 15,000 students, almost all of whom live in homes with income below the poverty level. From the data available it

seems clear that these 24 schools represent one of the most difficult educational challenges in the state, yet their teachers tend to be the least experienced in their district, because as soon as teachers have sufficient seniority, they transfer to other schools. It is probable that parents who care about their child's education and who can afford to have their child escape from such schools have already done so. This illustrates what market forces leave in their wake...ever greater inequities.

Such a result is the main message of Hard Heads, Soft Hearts, an excellent book by economist Alan Blinder (1987). He makes it abundantly clear that, while market forces may indeed promote economic efficiency, they also generate great inequalities. There is no reason to believe that this bill will equalize educational opportunities, as the bill claims. It will take more than competition to improve schools that serve children from poverty. The competition this bill might increase is for the few slots that the non-public schools might have available for poor children.

Voucher bills are based upon many untested assumptions. As examples: if we create a competitive market situation for schools, the inefficient schools will be driven out of the market if they don't become efficient; schools with mostly low performing students are ineffective; consumers (parents and students) can distinguish between effective and ineffective schools and would move to more effective schools if they had a $900 dollar voucher; the non-public schools are willing and able to educate children from poverty homes.

It seems clear that market forces have not improved the situation for the 15,000 children of poverty in those 24 Philadelphia schools who are not now

learning essential reading and math skills. "If a school cannot produce acceptable levels of student achievement, it should be closed," is often heard. If those 24 Philadelphia schools were closed, just where would those 15,000 students go to school? What is clear is that market forces have created an almost impossible educational situation in Philadelphia. No school can operate effectively if it serves only children from poverty homes and has even fewer resources than the neighboring districts that have the far easier educational task.

"Hidden Agendas" Public testimony for the bill has also revealed some hidden agendas. For example, tuition paying parents have complained that they pay school taxes and "get nothing back in return." Of course that is also true of over 85% of the tax payers, those who have no school age children. One does not pay school tax for personal direct benefit, but for the indirect benefit to society, and because our state constitution demands a system of public education.

Another not so hidden agenda of the voucher proponents is to try to provide indirect economic support for the non-public schools. On that issue, it must be pointed out that there are only two key sentences in our state constitution regarding education, and one of them states: "No money raised for the support of the public schools of the Commonwealth shall be appropriated to or be used for the support of any sectarian school." The sectarian schools may be in financial difficulty, as some claim (it is hard to know since their financial records are not publicly available), but that must be solved some other way, as such use of state funds is explicitly prohibited. This voucher bill cannot be justified on the grounds that the sectarian schools need financial assistance, since that is a clear violation of the state constitution.

School Reform

The Pennsylvania constitution also says that "the General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth." The public schools in Pennsylvania seem not to be thorough, since there are thousands of students who are not acquiring the skills needed for subsequent learning or employability. They seem not to be efficient since there is no relationship between inputs (district expenditures) and outcomes (student achievement) (Cooley, 1991). If indeed the current system is neither thorough nor efficient, it appears as though the present situation is unconstitutional. We urgently need to define a more comprehensive set of strategies that will make Pennsylvania schools more thorough and efficient. This bill is not likely to be part of such a strategy.

What might a comprehensive strategy for educational reform look like? First, we must more clearly establish the current conditions in Pennsylvania's educational system that can and must be improved, and establish a priority ranking of them. Pennsylvania's goals should derive from such an assessment, and with the active representation of those expected to work toward those goals. These priority goals must then be defined in terms of funded strategies for achieving them, and assessment strategies for measuring and monitoring progress toward them. Unmeasurable goals without the means of achieving them are empty exercises.

Perhaps an example would help. From the perspective of someone who has been studying data from throughout the state, data that describe the students, teachers, schools and districts in the state, my nominations of the five greatest

needs would be:

(1) increase the likelihood that more children will be able to begin school ready to learn, and make schools more adaptive to the differences that will continue to exist;

(2) reduce the inequity in resources available to school districts, and more strongly include educational need in the funding of schools;

(3) develop a student assessment system based upon a common curriculum framework, one that goes well beyond the mastery of basic skills;

(4) shift state level efforts from compliance monitoring and enforcing, to outcomes monitoring and assisting;

(5) develop procedures to make it more likely that the thousands of new teachers that will be hired during the nineties are the most qualified in the available applicant pool, and increase the quality of that applicant pool.

It is possible to define strategies for achieving and monitoring each of those goals. It is also possible to justify them as critically important.

But my list was just to illustrate what I am talking about. There are lots of other lists. The President and his Secretary of Education have a list. The Pennsylvania Governor and his Secretary of Education have a list. The state Board of Education has a list. The House Education Chairman has a list. The Senate Education Chairman has a list. Almost everyone in a policy making position in Pennsylvania has a list of their favorite goals, and there is no clear consensus.

Pennsylvania's list of priority goals must be based upon a broad consensus of what is most critically important, a consensus informed by a clear, well documented description of the condition of the public schools in Pennsylvania. A consensus that includes the people that are expected to work toward those goals. The goals and strategies for achieving them must also be consistent with the best

thinking today of what it takes to change "the system." By that I mean the kind of thinking represented by people like Sarason (1991) or Smith and O'Day (1991), who have written convincingly about what is required to reform our schools. It seems clear that successful reform must recognize that we are dealing with a social system with established power relationships, and reform will fail if those relationships are not altered or restructured in significant ways. People with power tend not to yield power readily, and that is one reason why reform is so difficult. The issue is not whether reform should be "top-down or bottom-up." What is important is to recognize that we are dealing with an evolving system of interacting components, mostly human components, and systemic reform recognizes that fact.

Of course what is critical is to improve what is happening in classrooms and schools, but what happens in Harrisburg affects what happens in classrooms. The state determines who is qualified to teach, how much money is available to tax-poor districts, and what curriculum gets taught (both directly through mandates and indirectly through what gets tested). The state has the constitutional responsibility to insure a thorough and efficient system of public schools. Some of my friends tell me that I am politically naive to expect state policy makers to take a more comprehensive approach to educational reform. What is naive is thinking that schools can be improved without it.

The choice advocates are correct when they point out the need to challenge and change our heavily bureaucratic system of public schools. The strategic plan for improving our schools must include ways of altering current power relationships. Reform will not succeed unless we do. People like Chubb and Moe (1990) claim that existing educational institutions cannot solve the

problem, because they are the problem. It seems prudent to try to prove them wrong. The existing institutions are all we have.

There are presently 5,664 public and non-public schools in Pennsylvania. Among them one can probably find any of the variations that are likely to emerge as New American Schools from the national America 2000 initiative. The problem is how to get better practice working in more of our schools, not have a few more "demonstration" schools. We may not need bigger spending, but we sure need better spending.

Defensive reactions to the recent bad publicity about schools are now getting some attention (e.g. Bracy, 1991). It is probable that not all schools or districts require "massive reform" or "major overhaul." As Bracy claims, not all schools have failed. But change is needed whether or not you happen to believe that schools have failed. Changes are needed in our schools because society is changing, work is changing, knowledge is changing, the demographics are changing. Our schools must adapt to these dramatic changes, and "systems" resist change.

No child in Pennsylvania should have to attend a school that is no longer functioning as an educational institution. There are such schools, and they are in desperate need of help. It is also true that no child should attend a school that deadens, instead of challenges and enhances, his or her ability to think and solve difficult problems. We have the knowledge and resources to improve our public schools if we go about educational reform realizing that we are dealing with an educational system, and not attack poorly defined problems in unsystematic ways. Many stand ready to help, but state leadership is needed if we are going to

achieve effective, long-term reform in Pennsylvania.

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